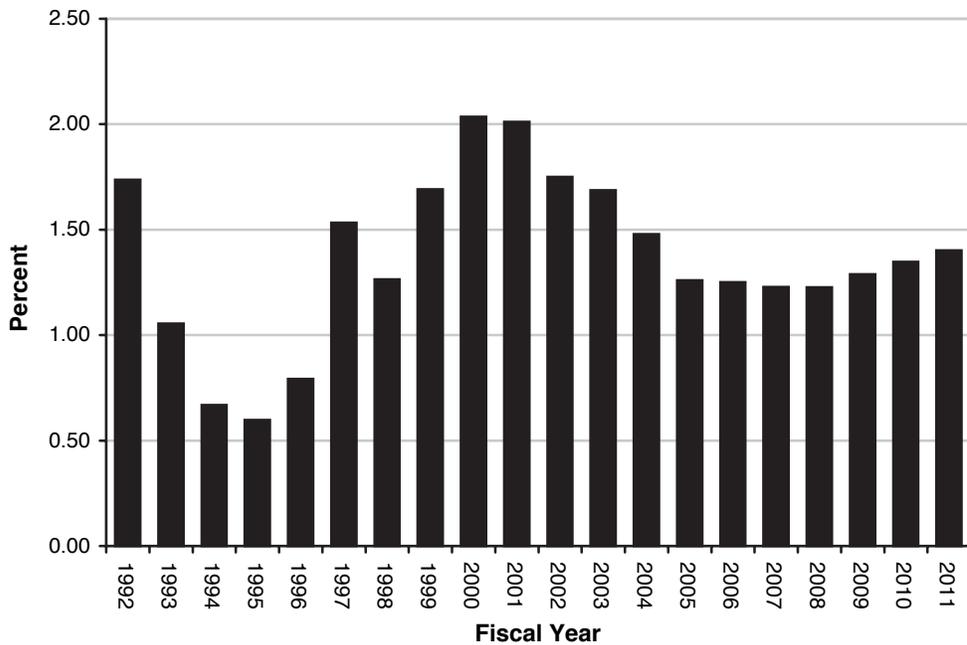


DEMOGRAPHIC INFORMATION

POPULATION OVERVIEW

California's population continues to experience strong growth. Despite a slowdown in the mid-1990s, the state has grown more than 1 percent per year since 1997 (see Figure DEM-01).

Figure DEM-01
California's Annual Population Growth Rate



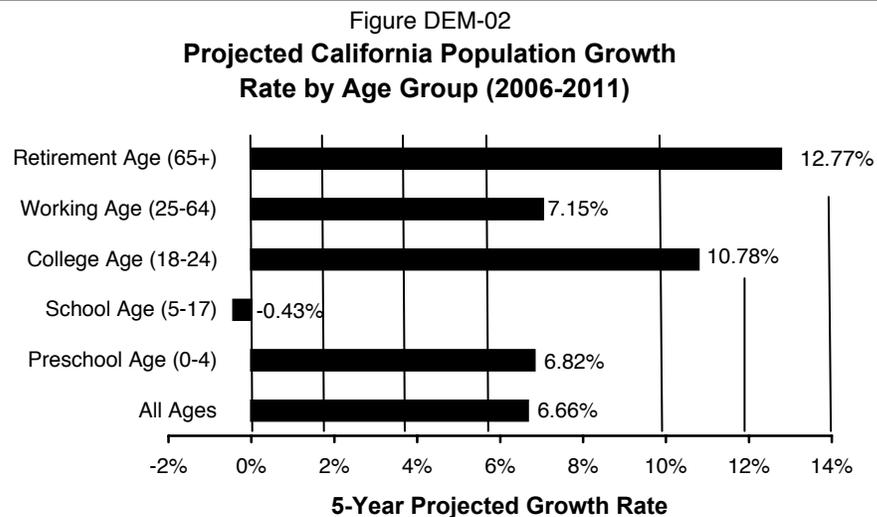
DEMOGRAPHIC INFORMATION

- The July 1, 2006, population estimate is 37,444,000.
- It is forecast to be 37,904,000 in 2007 and just over 38,369,000 in 2008, reflecting a short-term annual growth rate of just over 1.2 percent.

Through the next five years, the state will grow by an average of 499,000 people each year. Natural increase (more children being born than people dying) will account for twice as much growth (66 percent v. 34 percent) as net migration (people moving to California from other states and other countries, less those moving out).

By July 2011, California will add nearly 2.5 million people to reach 39,939,000, a five-year growth rate of 6.7 percent, a decline from the 7.6 percent growth rate of the five-year period since 2001.

- Population growth rates vary significantly by age group. The projected total five-year population growth of 6.7 percent is slightly lower than the 6.8-percent growth in the preschool age group. California will add 180,000 children under age 5 in the next 5 years. The school-age group will decline 30,000 or 0.4 percent over the next 5 years. The college-age group will grow 400,000 or 10.8 percent while the working aged population will grow by 1.4 million, or in excess of 7 percent. The retirement-age group will grow over 500,000, nearly 13 percent (see Figure DEM-02).



DEMOGRAPHIC INFORMATION

- In fall 2005, K-12 public school enrollment was nearly 6.3 million students. Starting in 2005 and continuing through 2009, school enrollment will decrease reflecting a declining birth rate in the 1990s. Reversing that trend, births increased in 2005 for the fourth year in a row.
- Beginning in 2010 and continuing for the next 5 years, K-12 public school enrollment will once again grow, although at an annual average rate of slightly less than 1 percent. Prior to 2003, enrollment growth had not been less than 1 percent since 1983.